

**Testimony of**  
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**Before the**  
**Subcommittee on Income Security and**  
**Family Support House Committee on Ways**  
**and Means**

# **Hearing on TANF's Role in Providing Assistance to Struggling Families**

Under TANF 70% of funding money goes to the welfare bureaucracy and only 30% goes to the payments to families with children. Before TANF 80% of the AFDC money went to payments to families. TANF has been a resounding success for the welfare bureaucrats and catastrophe for the poor.

## CCWRO's VIEW OF WELFARE REFORM

Welfare Reform generally turns out to be Deform.

For the past 30 years most of the so-called welfare reform proposals have proposed and enacted changes that make things worse for the impoverished children and families on welfare.

What was the primary message of current Temporary Assistance to Needy Families (TANF) P.L. 104-193 - the 1996 welfare Deform bill? The message is anti-family and anti-child. There are two clear messages in the current program:

(1) *working* is more important than *parenting*"; and

(2) your *job* is the most important thing in your life. Your *family* comes after your *job*.

Most people view their family and parenting as the most important missions in their lives - but not for poor families and children in the United States of America. To this day welfare officials and politicians continue to insist that *working* is more important than *parenting*. Although after the 1996 TANF Bill caseloads went down, the truth is poverty has gone up. The caseloads went down because people started timing out (60 month limit). This meant families stopped receiving aid they still needed

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**What is Real Welfare Reform?** Real welfare reform is to make things better for families and children. Under the current TANF program many women have to participate in a workfare activity for the welfare bureaucrats the day after their baby is born. No breast-feeding for many poor babies born in America – this is known in some quarters as “welfare reform”. Parents should be allowed to parent in dignity. If we can afford to give trillions to the rich and spend billions on wars of choice, why can't we spend a miniscule part of that money on the impoverished families and children of America? Is this a Christian Nation?

**Do TANF recipients receive \$33,000 a year?** Mr. Rector of the Heritage

Foundation asserts that welfare recipients receive \$33,000 a year. Mr. Rector in his multipage testimony fails to identify one case number in the United States of America that receives \$33,000 and receives TANF benefits. The reason is that there is no family that receives \$33,000 a year in the United States of America except for families that exist in Mr. Rectors' imagination. These are the same kind of lunatic claims that Bagdad Bob was making when the U.S. invaded Iraq and the Soviet propaganda machine was making during the cold war.

The claim is that if a TANF family received every means tested benefit, and then the TANF family would receive \$33,000. The reality is that not every TANF recipient is eligible for and able to receive benefits from every means tested program.

However, it is understandable for Mr. Rector to believe that this can be done as his funders, many of whom are filthy rich, often are able to claim so many tax deduction that they end up not paying taxes on their multimillion dollar incomes. His hero, Ronald Reagan, a millionaire, did not pay taxes some years.

## **RECIPIENT VIEW OF TANF REAUTHORIZATION**

TANF is up for reauthorization in 2010. TANF has an ATM machine for States to bilk the TANF program for billions of dollars.

Recently HHS released a comprehensive report entitled "[Eighth Annual Report to Congress](#) - June 2009": on the TANF program that reveals the magnitude to of the raid that States have launched on TANF money meant for the impoverished families. Majority of the money is used for reasons other than payments to poor families. <http://www.acf.hhs.gov/programs/ofa/data-reports/index.htm#tanfdata>

In California TANF grant levels today are what they were in 1989. The Governor is proposing a 15.7% for 2010-2011. California's TANF program has contributed over \$15 billion to the California State general Fund since 1998. Not one penny of that \$15 billion was ever used to feed or house children of impoverished families living in California. In 2010-2011 the Governor's proposed budget has an estimated \$2 billion TANF money scheduled as "contribution to the California General Fund".

To verify whether States have been helping impoverished families with needy children we looked at the TANF Report to Congress that reveals the utter contempt that States have for impoverished families with needy children.

In 2008 only 31% of the TANF money was used for "payments to families". This means 69% of the money was used for other reasons. Some may argue that they

used the money for services, such as childcare and transportation. That may be true, but less than 2% of the money was used for childcare and 1% for transportation. What happened to 66% of the money? TABLE #1 reveals the percentage of total TANF funds used for “payments to families” during 2008.

The TANF legislation provides that federal TANF dollars and the required state matching funds have to be used for four purposes: (1) keep needy children in family homes, (2) end dependence on government benefits, (3) reduce out of wedlock births and (4) encourage two parent households as direct assistance to the poor. With these elastic purposes majority of the TANF money can be used for just about anything other than providing payments to means tested impoverished families to meet their basic survival needs.

Page 104 of the 2008 TANF Report to Congress shows what the maximum pay monthly benefits for a family of three has been in 1996, 1999, 2003 and 2006.

- In 24 states the benefits level for a family of three has remained the same from 1996 through 2006.
- 3 states actually had a higher payment level in 1996 than they did in 2006.

District of Columbia 1996 \$ 415 - 2006 \$407

Hawaii 1996 \$712 – 2006 \$570

Idaho 1996 \$317 – 2006 \$309

- 43 states impose full family sanctions against families who allegedly failed to cooperate with the State Work Program. This shows the total contempt that majority of the States have for children; they punish innocent children for what their parents do. It should be noted that many of these children end up in foster care and it destroys families. Moreover, 70% of foster care kids end up in the United States prison system.

- 21 States punish children who were not aborted by their moms and were brought into this world while on welfare. The punishment meted out is not paying any cash assistance for the new born to women who choose not to have an abortion. This is called the family cap policy. Many of these kids end up in foster care because they are removed from the parent for the alleged “neglect”. The real neglectors are States that punishes women for not having an abortion.

TANF has been an ATM machine for States bilking the program while totally neglecting impoverished families with children. TANF reauthorization should reverse this phenomenon and require that at least 70% of the total TANF funds be used for “assistance payment to families”. It shall also restrict states from denying aid to children for any behavior of the parents. Children should not be victimized due to the behavior of the parents with family caps, sanctions and other penalties against infants and minor children. There should be no time clock

ticking for parents who are working. All of these punitive policies are a result of “state flexibility which breeds full family sanctions, family caps, fleecing the TANF program and other anti-family and anti-child TANF policies

## **RECIPIENT VIEW OF TANF RECOMMENDATIONS MADE BY WELFARE ADMINISTRATORS**

“ • Maintain the base TANF funding and formula allocation, and fold current supplemental funds into each eligible state’s base.  
• Increase the current level of overall funding for the basic TANF block grant using the Consumer Price Index (CPI) increase since 1996 and employ reasonable allocation methodologies for new funds.  
• Extend availability of existing Emergency Contingency Funds (ECF) through FY2011 and explore adding funds prior to reauthorization.”

It is important that people practice what they preach. APHSA officials complain that the funding they receive in 2010 is the same that they received in 1996. That may be true, but how much do they pay the needy families? Their needs have also gone up? What States have done is taken from the poor families and increased their bureaucratic budgets. That is why 70% of the TANF money is used for the bureaucracy and 30% to house and feed the families.

**We OPPOSE** increasing funding for TANF and indexing the TANF money for States that do not index the “payment to families”. Funding increases should come with strings because like the banks, state welfare bureaucracies have a proven track record of depriving the poor to enrich themselves.

“Establish a standardized MOE requirement at 75 percent.”

**We OPPOSE** establishing an across the board 75% MOE requirement. We would **SUPPORT a 75% MOE requirement for those states that use 70% of more of their total federal and MOE allocation for “payment to families”**. Payments to families should be defined as a cash aid payment to families to make sure that State do not employ manipulative policies that result in “payment to families” being something other than cash aid payments to families.

Restore counting MOE under TANF purposes 3 and 4 without restriction to “eligible families.”

**We OPPOSE** this recommendation as purposes 3 and 4 (reduce out of wedlock births and encourage two parent households as direct assistance to the poor) have been used to take money out the mouths of hungry children and use it for

State to balance their budgets by manipulating the provisions of purposes 3 and 4. It is because of purposes of 3 and 4 that California has taken \$15 billion from poor families and kept their grant levels at the same level in 2010 that they were in 1989. This is unconscionable.

“ Revise regulatory penalty provisions, thus making the option of appeal more viable for states.”

**We OPPOSE** this recommendation and suggest that States receive the same type of appeals rights that they make available to TANF families. The current appeals process for States is most generous compared to the penalties that States impose on TANF families for allegedly not participating in a TANF activity. Many states provide that lack of childcare is not a good cause for nonparticipation. It is appalling.

**We would SUPPORT** changing the State TANF penalty system to be consistent with the type of appeal process states make available to TANF recipients.

## **CCWRO RECOMMENDATIONS FOR TANF REAUTHORIZATION**

- **70% of the TANF money shall be used for “assistance payments to families”. Assistance payment shall be defined as “cash aid payments to families;**

- **No penalties/sanctions/family caps against innocent children of America**

Many states punish children for what their parents do. This is cowardly behavior and it is immoral. It is child abuse. No child should be punished for what its parents do. There is no evidence that sanctions have resulted in any positive behavior. In fact, most businesses used the *positive* incentives rather than *negative* incentives to get desired outcomes. States always ask for positive incentives to produce desired outcomes and insist on a very vigorous appeal process before any “negative penalties” can be imposed upon them, yet they rarely practice what they preach when it comes for poor families of America.

- **Stop the clock for working TANF families.**

There is no time clock for foster care payments, for social security payments, for congressional pensions, yet somehow time limits have been imposed upon poor families. We believe time limits are immoral, but they are especially immoral for working persons.

- **Protect Families from rogue States who refuse to have a TANF program**

California Governor Schwarzenegger has proposed to eliminate the TANF program for the second year in a row. This has caused great unrest in the low-income community. Children are at risk and they need to be protected. The elimination of the TANF program would mean that hundreds of thousands of families would break up, children will end up in foster care homes.

**We would SUPPORT legislation that would have the federal government operate the TANF program in lieu of the State.** This can save a lot of money for the federal government. In California alone, it can save a billion or more each year.

If Congress decides not to take over the TANF program from the states to stop the state fleecing of federal dollars, then at least Congress should adopt a process whereby the federal government would operate the TANF program if a state elects to opt out of the TANF program.

2008	Total TANF Expenditure	Basic Assistance Payments		Child Care		Transp.		Total Expend. For Non- Assistance	
<b>TOTAL</b>	28,129,745,092	8,648,970,019	31%	554,679,148	1.97%	323,605,580	1.15%	18,082,991,966	64%
ALABAMA	142,703,450	40,713,175	29%	37,671	0.03%	4,900,361	3.43%	97,052,243	68%
ALASKA	62,618,543	33,507,885	54%	7,443,863	11.89%	880,853	1.41%	20,785,942	33%
ARIZONA	348,648,363	121,767,061	35%	0	0.00%	1,424,026	0.41%	225,457,276	65%
ARKANSAS	144,429,058	13,515,457	9%	0	0.00%	0	0.00%	130,913,601	91%
CALIFORNIA	6,687,297,080	3,252,007,950	49%	192,761,394	2.88%	139,782,105	2.09%	2,937,310,095	44%
COLORADO	230,522,823	42,639,891	18%	0	0.00%	2,634,585	1.14%	185,248,347	80%
CONNECTICUT	496,433,622	100,482,895	20%	4,480,387	0.90%	0	0.00%	389,671,996	78%
DELAWARE	68,010,869	13,475,885	20%	1,621,354	2.38%	0	0.00%	52,913,630	78%
DIST.OF COLUMBIA	160,828,810	21,414,961	13%	0	0.00%	0	0.00%	139,413,849	87%
FLORIDA	948,327,470	158,913,733	17%	15,898,847	1.68%	635,998	0.07%	772,878,892	81%
GEORGIA	614,970,867	74,073,720	12%	23,098,641	3.76%	18,977,631	3.09%	498,820,875	81%
HAWAII	229,161,027	48,682,475	21%	0	0.00%	0	0.00%	180,478,552	79%
IDAHO	34,736,983	5,505,784	16%	0	0.00%	82,262	0.24%	29,148,937	84%
ILLINOIS	1,013,298,702	60,486,523	6%	0	0.00%	2,463,217	0.24%	950,348,962	94%
INDIANA	307,914,275	76,018,087	25%	0	0.00%	<1,315,337>	0.00%	233,211,525	76%
IOWA	172,539,579	60,106,428	35%	10,194,971	5.91%	3,012,950	1.75%	99,225,230	58%
KANSAS	176,155,602	46,132,310	26%	9,790,508	5.56%	7,440,574	4.22%	108,333,225	61%
KENTUCKY	193,155,383	106,151,412	55%	11,828,452	6.12%	6,190,026	3.20%	68,985,493	36%
LOUISIANA	172,783,957	37,860,309	22%	8,368,074	4.84%	1,340,716	0.78%	125,214,858	72%
MAINE	126,825,275	70,200,037	55%	7,649,780	6.03%	18,309,820	14.44%	30,665,638	24%
MARYLAND	405,147,673	113,031,371	28%	124,464	0.03%	86,880	0.02%	291,904,958	72%
MASSACHUSETTS	915,028,670	293,351,120	32%	0	0.00%	0	0.00%	621,677,550	68%
MICHIGAN	1,229,605,394	337,949,681	27%	47,083,998	3.83%	0	0.00%	868,796,780	71%

MINNESOTA	434,519,789	70,883,104	16%	0	0.00%	0	0.00%	363,636,685	84%
MISSISSIPPI	91,104,043	18,481,700	20%	0	0.00%	6,821,883	7.49%	65,800,460	72%
MISSOURI	332,477,116	113,778,808	34%	0	0.00%	0	0.00%	218,698,308	66%
MONTANA	39,140,456	14,226,840	36%	1,313,990	3.36%	0	0.00%	21,422,047	55%
NEBRASKA	94,112,951	23,167,357	25%	0	0.00%	0	0.00%	70,945,594	75%
NEVADA	84,705,650	24,292,338	29%	1,411,542	1.67%	5,030,033	5.94%	53,971,737	64%
NEW HAMPSHIRE	85,297,320	23,824,195	28%	0	0.00%	0	0.00%	54,775,926	64%
NEW JERSEY	954,549,189	200,065,680	21%	26,374,178	2.76%	17,117,303	1.79%	710,992,028	74%
NEW MEXICO	128,692,434	55,006,875	43%	2,895,258	2.25%	199,255	0.15%	70,591,046	55%
NEW YORK	4,422,854,615	1,428,242,373	32%	101,983,998	2.31%	0	0.00%	2,632,069,218	60%
NORTH CAROLINA	446,893,081	79,891,677	18%	0	0.00%	0	0.00%	366,010,956	82%
NORTH DAKOTA	37,086,344	7,630,285	21%	1,016,606	2.74%	126,630	0.34%	18,845,112	51%
OHIO	1,501,163,076	307,203,938	20%	0	0.00%	10,702,454	0.71%	1,183,256,684	79%
OKLAHOMA	175,918,077	20,707,125	12%	10,989,081	6.25%	19,094,071	10.85%	114,424,686	65%
OREGON	309,176,612	91,724,605	30%	23,404,314	7.57%	8,388,665	2.71%	157,873,772	51%
PENNSYLVANIA	961,552,372	218,530,827	23%	0	0.00%	19,246,350	2.00%	723,775,195	75%
RHODE ISLAND	109,182,938	40,730,642	37%	1,568,972	1.44%	157,351	0.14%	66,725,973	61%
SOUTH CAROLINA	170,362,249	34,628,615	20%	0	0.00%	3,247,351	1.91%	132,486,283	78%
SOUTH DAKOTA	28,545,277	12,784,415	45%	802,914	2.81%	0	0.00%	7,731,088	27%
TENNESSEE	290,193,867	93,722,337	32%	23,928,314	8.25%	454,178	0.16%	172,089,038	59%
TEXAS	821,875,550	98,128,017	12%	0	0.00%	249,439	0.03%	677,074,708	82%
UTAH	85,708,335	24,891,496	29%	6,482,243	7.56%	1,547,667	1.81%	52,786,929	62%
VERMONT	72,143,568	26,058,457	36%	0	0.00%	6,120,945	8.48%	39,964,166	55%
VIRGINIA	271,076,657	92,994,978	34%	6,462,908	2.38%	0	0.00%	171,618,771	63%
WASHINGTON	704,948,904	267,864,015	38%	0	0.00%	0	0.00%	437,084,889	62%
WEST VIRGINIA	115,181,837	31,148,455	27%	4,108,719	3.57%	14,951,851	12.98%	64,972,812	56%
WISCONSIN	452,884,898	89,486,194	20%	0	0.00%	0	0.00%	363,398,704	80%
WYOMING	27,254,412	10,886,521	40%	1,553,707	5.70%	3,303,487	12.12%	11,510,697	42%
Total	28,129,745,092	8,648,970,019	31%	554,679,148	1.97%	323,605,580	1.15%	18,082,991,966	64%